



Federal Family Education Loan Program Estimated Monthly In-School Interest Payment

Students who choose to pay interest on their loans while in school can save on total interest paid and also realize lower monthly payments after they leave school.

Formula used: Principal x Interest ÷ 12 months

Principal	6%	6.25%	6.50%	6.80%	7%	7.25%	7.50%	7.75%	8%	8.25%	8.50%
\$2,625	13.13	13.67	14.22	14.88	15.31	15.86	16.41	16.95	17.50	18.05	18.59
3,500	17.50	18.23	18.96	19.83	20.42	21.15	21.88	22.60	23.33	24.06	24.79
4,000	20.00	20.83	21.67	22.67	23.33	24.17	25.00	25.83	26.67	27.50	28.33
4,500	22.50	23.44	24.38	25.50	26.25	27.19	28.13	29.06	30.00	30.94	31.88
5,000	25.00	26.04	27.08	28.33	29.17	30.21	31.25	32.29	33.33	34.38	35.42
6,000	30.00	31.25	32.50	34.00	35.00	36.25	37.50	38.75	40.00	41.25	42.50
7,000	35.00	36.46	37.92	39.67	40.83	42.29	43.75	45.21	46.67	48.13	49.58
8,000	40.00	41.67	43.33	45.33	46.67	48.33	50.00	51.67	53.33	55.00	56.67
9,000	45.00	46.88	48.75	51.00	52.50	54.38	56.25	58.13	60.00	61.88	63.75
10,000	50.00	52.08	54.17	56.67	58.33	60.42	62.50	64.58	66.67	68.75	70.83
12,000	60.00	62.50	65.00	68.00	70.00	72.50	75.00	77.50	80.00	82.50	85.00
15,000	75.00	78.13	81.25	85.00	87.50	90.63	93.75	96.88	100.00	103.13	106.25
20,000	100.00	104.17	108.33	113.33	116.67	120.83	125.00	129.17	133.33	137.50	141.67
23,000	115.00	119.80	124.58	130.33	134.17	138.96	143.75	148.54	153.33	158.13	162.92
30,000	150.00	156.25	162.50	170.00	175.00	181.25	187.50	193.75	200.00	206.25	212.50
40,000	200.00	208.33	216.66	226.66	233.33	241.66	250.00	258.33	266.66	275.00	283.33
46,000	230.00	239.58	249.17	260.66	268.33	277.92	287.50	297.08	306.66	316.25	325.83
50,000	250.00	260.40	270.83	283.33	291.66	302.13	312.50	322.92	333.33	343.75	354.17
55,000	275.00	286.45	297.92	311.66	320.83	332.29	343.75	355.21	366.66	378.13	389.58
65,500	327.50	341.15	354.79	371.16	382.08	395.73	409.37	423.02	436.66	450.31	463.95

Note: Most lenders/servicers mail statements on a quarterly basis, but the interest may be paid monthly with arrangements made through the lender/servicer.

EXAMPLE 1 - Carol borrows \$18,000 total during her four years in school and pays monthly interest payments while in school.

Monthly interest payment based on	1st Year--1st Loan	\$ 26.67 based on \$4,000 borrowed
8% capitalized once at repayment:	2nd Year--2nd Loan	\$ 52.57 based on an additional \$4,000 borrowed
3rd Year--3rd Loan	\$ 85.42 based on an additional \$5,000 borrowed	
4th Year--4th Loan	\$ 118.28 based on an additional \$5,000 borrowed	

Total interest paid over four years during school = \$3,140.86

Repayment

Monthly payment (principal and interest) based on a ten-year payback = **\$218.39**

Monthly payment if interest had not been paid during school = \$256.50

Total amount paid for the loan = **\$29,347.66**

Total amount of loan if interest had not been paid during school = \$30,780.00

Carol would save \$1,432.34 in interest over ten years by making interest payments during school.

EXAMPLE 2 - John borrows \$9,000 total during his four years in school and pays monthly interest payments while in school.

Monthly interest payment based on	1st Year--1st Loan	\$ 6.67 based on \$1,000 borrowed
8% capitalized once at repayment:	2nd Year--2nd Loan	\$ 19.71 based on an additional \$2,000 borrowed
3rd Year--3rd Loan	\$ 39.43 based on an additional \$3,000 borrowed	
4th Year--4th Loan	\$ 59.14 based on an additional \$3,000 borrowed	

Total interest paid over four years during school = \$1,370.46

Repayment

Monthly payment (principal and interest) based on a ten-year payback = **\$109.19**

Monthly payment if interest had not been paid during school = \$125.82

Total amount paid for the loan = **\$14,473.26**

Total amount of loan if interest had not been paid during school = \$15,098.40

John would save \$625.14 in interest over ten years by making interest payments during school.

Benefits of Paying Interest While in School

★ **Monthly payments are lower during repayment** ★

★ **Total interest paid is less** ★